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# **THE DEVELOPMENT OF ONLINE BUSINESS-TO-BUSINESS COMMUNICATION.**

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## ABSTRACT

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The Development of Online Business-to-Business Communication, 52 pages, 1 appendix.

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The paper analyses the impact that online communication methods have on a particular company, Beauford International. It goes on to analyse the ways in which the internet is being exploited to yield better results for the business.

Using an in-depth interview with a leader in the company, the study showed that it has been extremely important for Beauford to stay at the forefront of technological change in regards to the latest means of online communication.

The results for this are categorised into four positive points:

1. Opening up the international market.
2. Cost efficiency.
3. Easier and faster to reach customers
4. Image development

There was also one negative point highlighted by this study in relation to the loss of a human touch when dealing with customers. It considers the impact of this loss but ultimately concludes that in the case of Beauford International this impact is limited when compared to the overwhelming advantages demonstrated by modern online contact.

The reliability of the results is supported by the extensive interview responses of someone with considerable experience in the company who has also witnessed the evolution of technology advances in communications and online capabilities.

Although the ideas for companies wishing to develop their B2B communication abilities are valid and extensive there is still room for more research to be conducted. Companies that operate in different industries could also be studied and the results compared. This comparison could either lend support to these results or could shed more light on the subject in general.

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# 1 INTRODUCTION

Dagenais and Gautschi (2002, 7) define B2B as a “commercial transaction conducted by any two business entities for profit”. Robert Bly (1998, 4) goes on to define B2B marketing as being “designed to sell products or services to business, industry or professionals rather than consumers.” For a modern business the whole process of B2B must revolve around communication. Without effective communication methods a company would be rendering their whole B2B strategy ineffective.

For an international company their business-to-business marketing will be a key factor in that business’s sales strategy. Those companies that rely on a customer base formed of businesses depend greatly on a developed B2B communication system.

An appropriate way to investigate this is to analyse a specific company. Beauford International is a business which operates with an international client base and therefore relies on an effective B2B communication strategy in order to conduct business across a global marketplace.

The research question is: How has the development of B2B communication online impacted upon Beauford International’s ability to effectively communicate with its customers?

The objective is to explore how the latest online technologies improved Beauford International’s ability to communicate with its international customers.

This work draws together theoretical insights relating to B2B communication and relates these ideas to Beauford International. It also gathers thoughts and opinions from the Sales Director of Beauford International during an interview session.

A personal view is that in B2B marketing, the communication methods are of paramount importance and by not understanding and maximising every possible communication system and avenue a company is, therefore, not achieving its fullest potential.

In this thesis there will be a brief insight into this view on B2B but the development of B2B marketing effectiveness through online communication channels will be considered in much more depth.

As a case study this thesis investigates the impact that online communication development has had upon marketing effectiveness for Beauford International. This is especially relevant for Beauford because their market concerns mainly the former Soviet Union countries and as such their methods for B2B communications have drastically changed over recent years.

This thesis examines in detail the ways in which Beauford International has developed its ability to reach business customers through online communication channels. It goes on to evaluate the impact on marketing effectiveness.

This study will briefly discuss what B2B communication is about and will go on to examine how it is important and relevant to modern companies in general. More specifically, it focuses on how it can be developed to further a business's objectives.

Online communication methods draw the main focus for this study. A number of new methods are explored and also discusses future technologies that can influence the field of B2B communication.

This paper focuses on a case study of Beauford International. The main reason why Beauford was used is because it is perfectly placed as a modern, high-tech business which operates internationally.

The methodology was chosen with consideration of the various options. Saunders, Lewis and Thornhill (2009, 318) describe interviews as a way to “help you to gather valid and reliable data that are relevant to your research questions and objectives.” In the case study of Beauford International it is necessary to gather such information from a source within the company. An interview is therefore the most efficient way to achieve this.

Saunders, Lewis and Thornhill (2009, 320) go on to discuss three different types of interview: structured, semi-structured and unstructured. The semi-structured approach allows an interviewer to make an interview with predetermined themes that need to be discussed.

With this approach it also allows the interviewer to ask the questions necessary to gather all the information from the interviewee as the interview progresses. This is preferable to the structured interview because it allows the interviewer to adapt to the conversation rather than be constrained to a rigid order of questions. It is also preferable to the unstructured approach because there is certain information that is required and a non-directive interview may miss key elements that would support the research.

This case study research will require information from a source inside Beauford International. As there is only one interviewee it is necessary to use a qualitative analysis because there are not multiple respondents. Saunders, Lewis and Thornhill (2009, 321) supported this strategy. They suggested that non-standardised (semi-structured and in depth) interviews are used to gather data, which are normally analysed qualitatively, for example as part of a case study strategy. They continued to support this method by describing how such an

interview would focus not only on the “what” and “how” but also on the “why”. This suggests that such an interview method will provide more valuable data.

The research was carried out with a personal interview with the Sales Director of Beauford International. She was chosen as the interviewee because of her long experience at this company and also her position as Sales Director is centrally placed to provide the best insight for the effect that changes have had on overall sales.

A face-to-face interview was the key to understanding her insights into the subject. Several pre-prepared questions were asked and she was allowed to expand on her answers and include any anecdotal stories she felt were relevant. The freedom she was afforded in her answering meant that the points she herself felt were most relevant were the points that were discussed the most. This system allows for the best results because the data available for analysis at the end mainly includes the most relevant points.

The final goal is to have a full understanding of the impact that B2B communication online has had upon Beauford International’s communication effectiveness. The personal interview with Irina Yevtereva achieves this best.

## 2 BUSINESS-TO-BUSINESS COMMUNICATION'S EFFECT ON MARKETING

### 2.1 Communication Models

There are several types of communication that exist in business. The one most commonly associated with consumers is the communication that takes place between the business and the customer. This is known as Business-to-Consumer (B2C) communication. This covers all forms of advertising, sales and after sales management.

Other forms of communication that exist in business include Customer-to-Business (C2B) communication and even Customer-to-Customer (C2C) communication.

However, one form of communication that is of particular importance to a business is that which takes place with other businesses. This is known as Business-to-Business (B2B) communication.

Each system of communication has an importance upon a business's operations. Development of any one of those themes may result in great benefits for a business but this report will focus in depth upon B2B communication.

### 2.2 Business-to-business "Worlds"

Barry Silverstein (2000, 7) separates these concepts into two "worlds": the consumer world and the business-to-business world.

In the consumer world, a purchase is a "personal buying decision". The buyer considers the purchase of a product for himself, herself or another consumer.



He also describes individuals in the business-to-business world as being “consumers” but with the additional responsibility of evaluating and purchasing products for a business either that they own or are employed by.

This particular analysis of B2B is a good way to describe the overview of sales in a business environment; however, it does not fully explain the concepts or usefulness of communication lines between these businesses. It is more of a description of what a customer is. The difference between a customer and a client is that a client is a repeat customer.

Customer relationship marketing begins to have a strong impact at this point.

### 2.3 An Existing Business Client is an Important Client

One could ask the question “Why would you want to establish a relationship with someone after you have already taken their money?” This view centres on the idea that there are many customers out there, and time and resources can be best spent on always finding the next target.

The best way to respond to this is with a quote by Cathy Ace (2001, 180):

“Estimates vary about how much more it costs to get a new customer than to keep an existing one – and of course this will depend on how much it costs to get one in the first place – but one thing is certain, it does cost more!”

Therefore, as the statement suggests, it would be prudent business sense to look to retaining a customer after a deal has been concluded. It would also be shrewd management to work to build a large clientele of existing customers which could then be supported with the acquisition of new customer-clients.

In this way the customer is viewed more as an asset rather than a target. It is also safe to say that this would improve the reputation of a company that can support its customer base in this way. The alternative is to treat potential customers as targets to be used before moving on to the next one.

Jukka Lahtinen (1994, 37) continued this principle by describing how a customer's expectations have to be met in order keep them satisfied. He stated that the product and service quality must be maintained so that the customer continues the relationship. Furthermore he even suggested that a company which has been taking care of its customers could possibly expect those customers to not only continue the relationship during setbacks or difficult times but also to defend their trusted supplier. (Lahtinen 1994, 37.)

In follow-up to this, it would be necessary to invest resources to communicate with customers. It would be considerably more difficult to turn customers into clients without dialogue taking place between the parties.

This is especially important in the case of B2B communication. When a business puts reliance into another company, their business puts a degree of dependence upon that new partner. For any company to depend upon another like this, it is of paramount importance that there is enough trust between them. By establishing thorough and viable communication channels with its partners, the company enables those relationships to grow and strengthen thus creating greater opportunities for cooperation.

## 2.4 How B2B communication is developed

Deciding that a company's B2B communication ought to be developed is only the first step. After the benefits are considered to be worth attaining, a plan for this development can be worked out.

### 2.4.1 Internet Relationships

As the title suggests, there is an opportunity to develop relationships with the use of the Internet. This is a way of describing the inter-organisational relationships that can flourish using E-commerce techniques.

It must also be highlighted that E-commerce is not just beneficial for companies that trade online but can be used to connect almost any kind of company. Even a local company selling groceries to local people can reap rewards from investing a little time and resources into the Internet.

E-mail is rapidly growing into an indispensable tool for all people hoping to do business in the world. It is not just a form of keeping in touch with friends but is used by business for keeping in touch with business partners. Many companies use E-mail in their purchasing processes and after-sales management.

Another way in which the Internet yields benefits to businesses is the availability of choice. The rapid speed of Internet search capabilities means that anyone can find large numbers of potential suppliers and can compare their services and prices from the comfort of their own desktop. For those suppliers that choose not to list at least their details on the Internet could be missing out on the chance to be seen by important potential clients.

Paul Phillips (2003, 35) recognises the opportunity for using web technology as a means of improving cooperation between organisations. He explains that organisations share certain business processes with each other. He goes on to suggest that using existing web technology, companies can experience “substantial benefits”. This is a bold statement that ought to be analysed further.

It is true that the Internet is a useful way to share information between business partners but is it really necessary? It is also possible for companies to be in contact via phone conversations. In fact, some may suggest that it is faster to ask someone a quick question than to go surfing around the World Wide Web. This is an excellent point but it is in the view of this study that such personal contact is just as vital to the smooth running of an operation as is the usage of Internet cooperation.

For instance, Paul Phillips (2003, pp. 35-37) goes on to describe how in this new Millennium the Internet is now used to coordinate electronic data between suppliers. Coordination with suppliers, which used to be done with the use of a third party organisation, can now be done automatically over the Internet.

This is a relevant point that cannot be ignored, especially since improvements in software means that there is an increasing number of ways that businesses can be linked together. For instance, many companies these days have an online database of their own stores. They no longer use a “rough idea” of what they have in their warehouses nor do they keep everything on a simple computer spreadsheet. Instead they have developed the idea of E-commerce into making their inventory available on the Internet for their suppliers to view and browse at the own convenience. This gives the supplier the information they need to know what to supply, when to supply it and in what quantity. In this way they are allowing the *supplier* to make the purchasing decisions for them after establishing certain rules and parameters that both parties agree with.

This is a prime example of how exploiting the Internet and the world of E-commerce is a useful way of saving time and resources. As technology improves over time, new and innovative ways of exploiting the Internet are discovered. Companies that are in touch with the advantages of Internet usage will be continue to be more effective.

However, it is necessary to reinforce the earlier statement that direct personal contact is also as important. It is with direct contact (e.g. phone liaisons etc), that the online system continues to run smoothly. Again this ties in with CRM. It is almost impossible to keep an automated system running at optimal performance without regular exchanges of information and a high regard for feedback.

#### 2.4.2 Regular Marketing Material

Companies that wish to keep a regular contact going with their clients can achieve this by creating reading material. This can come in the form of a simple monthly newsletter or a weekly email circulated among their clients. Such a small gesture on the part of a company could have an impact anywhere between minimal and considerable. *Minimal*, because a newsletter can be disregarded with ease and *considerable*, because it could just as easily be noticed by the client or business partner. The information it contains could therefore be highly important. Businesses may increase the custom of a client by making them aware of other products or services they provide.

Without some form of information medium it would be almost impossible to make any client or customer aware of other business opportunities between them. It is for this purpose that most large companies, especially international businesses, have their own regular magazine in operation. The magazine would usually contain useful information on the business sector the company is involved in whilst slipping in information about other products and services.

Jukka Lahtinen (1994, 46) put forward 3 stages in a “Series of Adoption Steps” with marketing material in his work on customer relationship marketing. These steps were; awareness, knowledge and conviction. Most reading material will make potential customers more aware of the company’s products and the “knowledge” gained by the consumer will be very useful when they come to making their purchasing decisions however, the most relevant step is the “conviction” stage. This is where the business is trying to persuade the client that they should make this particular buying decision. It underlines the main point behind this chapter in that a company could have the best product at the best price but wouldn’t succeed in the marketplace if none of the potential customers knew about the company or their product.

When analysing any case study this should be taken into consideration when looking at a business’s attempts to reach out to new customers.

However, it is no longer just the large and global companies that are doing this. Smaller companies in the new millennium are becoming more aware of the impact that regular correspondence has on their profits and for the chances they gain for improved international communication. As the costs of producing literature decrease with the availability of editing software and computer equipment, so too is the cost of transmitting their information to clients. Mailing is no longer the only way to broadcast their literature. Web services are proving to be increasingly useful. E-mails that provide links to web pages containing more detailed information are regarded as indispensable to 21<sup>st</sup> century business. Not only is the cost reduced for domestic mailing but it also means the reaching international markets becomes more viable as the costs for mailing internationally are often prohibitively expensive for smaller firms.

A new trend in the online communication world is the distribution of vast amounts of “spam”, that is, information which is mass mailed to a huge number of potential clients in the hope that even a small percentage will return a positive result. Such

correspondence is usually an unwelcome delivery and is quickly dismissed by the recipient. It is quite possible that this dismissal can spread to genuine correspondence from a business partner if it is not accompanied by any personal contact.

Therefore the content of online correspondence is especially important as the attention which is given to it may be limited.

#### 2.4.3 Feedback Channels

Feedback is often associated with Business-to-Customer (B2C) communication. There is a wealth of knowledge available to help businesses to make the most of their customer base by being open to feedback. However, there is no reason that B2B communication isn't of equal need for feedback. For some businesses that rely heavily on trusting their partners, feedback will be crucial to the continuing success of their business.

For instance, in the situation where a company relies upon their suppliers to keep to a schedule, it would be disastrous if the schedule were in anyway misinterpreted. An effective feedback loop can keep a system running smoothly.

Feedback is equally useful from business customers as well as suppliers.

Terri Schepps (according to Dan Bobinski 2005) suggested that companies gain the most when they are more assertive in their feedback gathering. She listed the benefits of feedback for a company.

- Valuable data for effective marketing strategies
- Valuable data for new product/service development
- Customer needs are identified

- Customer satisfaction history is created
- Customer profile and contact information gets updated

Win-back criteria is collected to reclaim cancelled or inactive customers

This is a good analysis of the rewards a company can reap by gathering feedback. It also positively reinforces the benefits to a company's eventual profit line by suggesting that past customers can become repeat customers. For most companies that realise that retaining customers is far cheaper than acquiring new ones, this should demand their immediate attention.

However, simply collecting information from people or businesses is not going to automatically improve a company's profits. The information gathered needs processing and has to be understood before any decisions can be made on further action.

Keisley Harris (according to Dan Bobinski 2005) "the purpose of getting feedback is to improve service; [and] that purpose will not be realized unless follow-through is planned in at the start of the process and pursued with discipline."

This is a key factor to note when pursuing feedback of any kind. Feedback would be useless without some system in place to analyse the feedback, draw conclusions from it and finally to implement action upon it.

In fact, it is not the feedback at all which yields the benefits to a company. It is the way in which the business uses the information gathered and turns it to its advantage.

This does, of course, require time and resources. Larger companies often have dedicated teams who are involved in the process of feedback collection and analysis. However, this does not mean that only large companies or global



corporations may take advantage of this process. Small firms may also benefit from feedback simply by being willing to listen. Customers, especially repeat buyers, will often have something to say about their views on the service they receive. This would only happen more often if they are asked more often for these opinions.

“Follow-through” can also be done by small and medium-sized companies. It does not always take a large team of investigators. For example, the small business that asks it's partners if there are any problems with a shipment, or order, are gaining effective feedback. Having a dedicated phone number for handling complaints or concerns can go a long way to not only solving the problems of a business's partners but also towards realising areas of business which are experiencing problems.

This can lead to what Terri Schepps (according to Dan Bobinski 2005) advised regarding creating a “customer satisfaction history”. If common concerns can be identified, a business will be in a far better situation to deal with their shortfall.

### 3 INTERNATIONAL BUSINESS ON THE INTERNET

Walther, Gay and Hancock (2005, 640) posed the idea that “the modern document is often a multimedia document.” Their idea that the world of information has developed alongside the development of the internet is growing among businesses which are using internet services more and more.

#### 3.1 How the Internet is Useful to Business

Mary J. Cronin (1996, 16-19) described the internet as being only “as versatile as the companies that use it”. This was while business exploitation of the internet was still in its infancy and she recognised then that it was up to the managers of companies to identify new methods and strategies.

The reasons she identified for why managers would find this useful were within the range of expansion of connectivity and communication channels and in the development of new marketing channels (pp. 16-19). As the internet usage has developed in the years since then, these motivators have remained constant as companies have striven to maximise the effectiveness of internet-based strategies.

Cronin’s suggestions on how to use the internet involved electronic publishing as a means to encourage more collaboration amongst more people than those within the business’s organisation.

With information being available online there exists the opportunity for product development as customers are able to use the improved connectivity to give their own feedback to the company. In this way the company can achieve what Cronin (1996, 16-19) referred to as “interactive marketing” by increasing the number of customer-to-company interfaces.

This idea could be adopted by a company by adapting the internet's possible uses to create a tailor-made system for B2B communication. The company would therefore first need to analyse its current situation and recognise its objectives before developing the most effective strategy.

### 3.2 Improving Company Relations

Cooperation between business partners towards furthering mutual benefits is not a new concept. Relationships between suppliers and their clients as well as between competitors have often grown when a mutually beneficial outcome has been perceived. However it is possible to examine how the innovations in technology have made such cooperation easier and more efficient, thus opening up further possibilities for mutual satisfaction.

Inventory management systems have long been used as a shining example of online B2B communication at its best. Such systems allowed for the introduction of just-in-time strategies and a means for buyers to assess their supplier's performance abilities.

Boyd and Spekman (2004, pp. 19) discuss the level of coordination used between those businesses that choose to cooperate in this manner. They suggest that traditional methods of communication between a manufacturer engaging in product development and their suppliers usually involves the manufacturer creating the ideas then sending off to their suppliers for feedback. It could be stated therefore that the quality of the supplier's involvement is somewhat lacking.

If it could be shown that improvements in communication technology could enhance the level of input from other business partners then a positive outcome could be seen in regards to communication development.

Boyd and Spekman (2004, 19) go on to suggest that synchronous communication, an example of which could be video conferencing, would allow for more successful coordination for B2B communication.

### 3.3 The Importance of the Internet for International Companies

In their study on information and communication technologies (ICT) Moen, Madsen and Aspelund (2008, 487) considered the use of ICT to integrate businesses with their customers. They suggested that this was of particular importance to international companies.

Their view was that a small or medium-sized enterprise will have fewer resources available to dedicate towards each individual customer. In the case of having customers from different countries around the world this becomes a more pressing matter. For the company with international customers they have a particular need for easier and more cost-efficient ways to connect with their global network of customers.

The lack of a physical presence in such a business's international market is compensated by new information and communication technologies. It could therefore be suggested that any research into the usefulness of online communication means should specifically involve the study of a small or medium-sized enterprise in an international market.

Moreover, they suggested that the cost-efficiency of such new technologies allows these companies to develop the kind of long-term relationships with their customers that they would not otherwise have been able to achieve.

### 3.4 How the Internet Improves Business to Business Communication

Klein and Quelch (1997, 345) identified characteristics of a company that would benefit from developing their online communication techniques. The main point they put forward was that a company with inefficiencies in their distribution channels could tend to have unfavourable pricing for customers due to difficulties in finding their buyers. An inability to reach their prospective buyers thus causes their prices to rise.

This would suggest that a company with inadequate online communication abilities would likely have reduced customer satisfaction not only due to inadequate levels of customer contact but also due to poorer prices.

Klein and Quelch (1997, 345) went on to suggest that usage of new electronic communication channels will increase the company's customer base which then allows for better pricing for their goods and services. Their study therefore supports the view that development of online communication channels can increase customer satisfaction.

Boyd and Spekman (2004, 19) described communication channels on the internet as being rich or lean communication mediums. They described videoconferencing as a rich medium due to the ability to get across more information through non verbal methods as well as verbal. Email was thus categorised as a lean communication medium due to being limited to textual based messages. Another point to consider here is that with videoconferencing the participants are communicating in real time and can therefore send ideas back and forth which closer resemble an actual face-to-face discussion.

Iyer (2004, pp. 37-38) stated that when businesses implement communication channels via the internet they are creating an "extranet". In this study, the author

went on to categorise the three distinct methods in which the businesses may set up these extranets: Net Marketplaces, Industry Consortia and Private Exchanges.

### 3.3.1 Net Marketplaces

A net marketplace is essentially a place (often a web site) which brings together businesses that are selling with businesses that are buying. It may therefore become a collection of a wide range of suppliers for each specific field. Iyer (2004, pp. 37-38) describes this as a modern day “bazaar” due to the way in which buyers and sellers are put together and are then free to do as they wish.

Iyer (2004, pp. 37-38) labelled the benefits of using these net marketplaces for the buyers are price transparency and the ease of finding the right supplier. However, it ought to be pointed out that a disadvantage to this method of trade may be the loss of the personal relationships that often bind buyer to supplier.

Although at first glance the net marketplace appears to be mostly beneficial to the buyer due to supplier’s competitive pricing, Iyer (2004, pp. 37-38) also states that suppliers may achieve cost savings. For instance, a net marketplace also brings together buyers who are already searching for a product or service within the supplier’s field so gaining access to them gives an immediate saving in marketing costs. Also, due to most net marketplaces being run by third-parties, the management and running of this large extranet is not consuming the business’s resources.

There are possible disadvantages to using new marketplaces rather than salesmen or customer service representatives. Primarily the loss of face-to-face contact could lead to erosion in the personal relationship between partners. Also, attitudes towards doing business online rather than with personal contact could take a long time to change and may even lead to serious misunderstandings with the

technology. Therefore, the introduction of new marketplaces could take some time to allow for adaptation and understanding.

### 3.3.2 Industry Consortia

In many industries there may be a few businesses that are the largest and may account for the majority of purchasing within their field. In these cases there are sometimes instances where these large businesses come together with the use of the internet to form an industry consortium. This is an online system that connects the businesses and allows them to coordinate purchasing plans.

One benefit of doing this, as mentioned by Iyer (2004, pp. 37-38) is a great reduction in price due to higher purchasing volumes. Unlike with the net marketplaces the industry consortia are not managed by a third party, thus reducing costs or commissions imposed by them.

A further benefit in this strategy is that it keeps these companies in close communication with each other. This may allow for the development of the relationship and for more possible cooperation in the future.

This system of B2B communication enables businesses who may usually be competitors to come together for a common purpose.

Boyd and Spekman (2004, 15), cited another car manufacturer, Daimler Chrysler's implementation of the Five Star Market Center. This was an electronic marketplace for use by all of Daimler Chrysler's dealers and allowed them all to take part in group purchasing initiatives.

This scheme to actively use the internet to network a large number of businesses for mutual benefit resulted in dealers reducing fixed costs by \$500 per vehicle. In this example it is clear that the internet has provided an opportunity for these

businesses that would have been virtually impossible using other communication channels.

### 3.3.3 Private Exchanges

Private exchanges are also commonly referred to as “virtual private networks” and may be considered to be a more advanced form of the electronic data interchanges (EDI) that have existed for many years. This network is a method for a company to form a closer attachment to suppliers and/or customers. It enables the coordination of many functions of the business and may even allow for automation of processes such as procurement.

The advantages of a private exchange are many. Iyer (2004, pp. 37-38) states that the exchange allows for closer relationships between suppliers and their customers and also the transparency associated with being involved with this kind of network allows for better resource management.

Iyer (2004, pp. 37-38) went on to mention the disadvantage of having such transparency with another company could cause unnecessary exposure of a business's strategic assets. However, the massive benefits of being so closely attached to a major business partner may often be sufficient to offset the risks involved and instead bring the partners closer together allowing for longer-term contracts to be established.

Boyd and Spekman (2004, 15) discussed the example of the Ford car manufacturer. Ford used the internet to effectively communicate ideas and share research between Ford's research and development team and the product development teams of its suppliers. They found that the increased communication options provided by internet use yielded, “more accurate information for forecasting demand and production runs while providing Ford with the opportunity to improve product quality and speed up innovation”.



After analysis it can be argued that such communication could occur without the internet and undoubtedly it has happened before the rise of the internet's services but the key point is the increased efficiency of internet communication channels. If in the past a company needed to send its employees to a supplier's location it would prove to be costly and inefficient in terms of travel times etc. Also, follow-up discussions would be delayed if they needed to wait for the next available trip. Currently, email services, at the very least, are used by most modern businesses and provide a chance for almost immediate communication.

The real costs involved in organising a private exchange are more usually associated with the IT costs involved in setting up such a system and also in maintaining what could turn out to be an expensive and complex online forum.

## 4 ANALYSIS OF EMPIRICAL DATA

Beauford International specialises in machinery diagnostic equipment and conducts sales to all Russian speaking areas. Beauford also engages in consultancy, service, training, support and marketing relating to that equipment. Competitors include some Western companies such as SKF and Pruftechnik, and Russian companies in St. Petersburg and Moscow. Beauford International has staff in Finland and in Russia.

The interview was conducted with Irina Yevtereva, the Marketing Director of Beauford International.

The interviewee holds a position which involves intricate knowledge of the customer base as well as maintaining close communications with them and other business partners.

In the interview she discusses various communication means with industrial customers and suppliers and gives insights from a marketing perspective.

### 4.1 Effective Communication Channels

The first point to establish in this interview was the relevance of maintaining effective communication channels.

The response was overwhelmingly in favour. Beauford International's viewpoint on communication channels was that it is "essential for the operation of company" and that without it, it would be impossible for the business to function.

The interviewee went on to suggest that the more developed the communication technology is then the more likely it will be that customers will buy. However in the

case of Beauford International it becomes important to show competence in modern technological methods due to the high-tech nature of the business.

As they supply scientific measuring equipment which is quite technologically advanced they therefore need to demonstrate to their business partners that they are proficient in the latest advances. From their point of view it would be difficult to persuade clients of the benefits of relying on Beauford technological expertise if they would be unable to connect to simple online communication means.

While discussing the importance of online communication channels Irina Yevtereva mentioned that several methods that Beauford regularly used and described them as being “very efficient and cost effective”. These methods include email; Skype; FTP (file transfer protocol) and VPN (Virtual Private Networks).

The reason these channels are useful to the business is their ability to send out large amounts of information to a large number of businesses and at a very low cost.

Meanwhile, older forms of communication with businesses suchlike faxes were greatly disparaged in this discussion. In the past faxes were seen as a common method for sending out information directly between organisations. Today they have all but disappeared from the business markets across many eastern European countries like Russia.

This part of the interview was of particular relevance to this study due to the support it gave to the idea that a business’s success can be linked directly to its ability to communicate. She stated that “the better your ability is in customer support the more likely it is that they will buy from you.” She clearly links a direct relation between communication and business success.

The relevance of the point that faxes are becoming obsolete in the Russian business market is high due to the fact that a business failing to maintain effective communication channels could be likely to continue using out-of-date methods for contacting business partners. This failure could lead to that company becoming out of touch with a rapidly developing market and eventually cause severe harm to their struggle to remain competitive.

Another useful point to take from this was the mention of VPN networking with customers. This network allows Beauford to directly access information stored on their customer's databases which enables them to immediately understand their client's needs which are liable to change on a daily basis. Without a working VPN system Beauford would be forced to rely on occasional visits to a company's location to ascertain any problems or opportunities that could exist.

The importance of maintaining effective communication channels with businesses partners is therefore heavily supported in this part of the interview.

It is also interesting to note the relevance this section has to the points brought up in chapter 3.2 in regards to how sending information to consumers is now more easily available to all businesses rather than just the larger ones. As Irina Yevtereva stated, the new forms of communication accessible to companies are more efficient and cost effective.

#### 4.2 Communication Before the Internet

The main problems with pre-Internet communication methods seem to be cost and efficiency. The costs that were described for telephone communications were significant when compared with modern day phone services, especially in some of the former Soviet Union countries.

The interviewee remembered how phone calls were the main way of keeping in touch with customers and that the cost of doing so were prohibitively expensive. Also it was quite an inefficient method of communication because in the former Soviet countries the phone systems were far too unreliable so it was quite difficult to make any telephone connections.

The interviewee went on to describe the other forms of communication that were available in those days and the interesting point to note is that there was a gradual shift towards online technologies. What started out as telephone and postal services progressed towards the telex and fax possibilities and then to Sprint services. The use of Sprint is a strong link between pre-Internet communication means and modern online methods. It was the start of the computer's influence on communications.

The progress that communication methods saw was very gradual especially in these markets as the latest technologies would be available later than in other countries. This changed by the mid 90's as the pirate market boomed for pirated software and most companies in Russia began to have more modern means than western companies.

#### 4.3 Developing Faster and More Innovative Communication Channels

Following on directly from the previous section, the interviewee reinforced the impact that development of communication channels can have on the company's income.

In particular regards to developing the speed and innovation of communication methods she stated that such improvements enable them to "reach customers better and more efficiently" (Irina Yevtereva).

The interviewee broke down the marketing process for Beauford as having six vitally important messages to get across to customers:

1. To let them know Beauford is selling something
2. What is being sold,
3. What the product is for,
4. How it will be of benefit to them,
5. Beauford's contact details,
6. The prices and terms of sale.

She clarified that these 6 things have stayed the same throughout all the developments that communications technology has been through and she believed that these factors will stay constant despite further developments in the future.

However, this does not mean that the development of faster and more innovative communications channels is an unimportant factor. It merely clarifies that the developments affect "how accurately and efficiently and cost effectively" you can get these six points across to customers.

This point is of particular relevance to this study because it focuses on how developing communication channels would be useful. Such developments are not going to affect the *content* of the messages so much as it enhances the *method* for transmitting it.

"It is obvious that with better online technologies there have been step changes in customer satisfaction," the interviewee expressed a pattern that has emerged over time between improvements in new sophisticated communications technology and the quality of customer satisfaction.

As expressed earlier, customer satisfaction plays a big part in keeping existing customers which in turn is cheaper than acquiring new customers. Therefore, by

developing online communication channels, Beauford have not only improved their chance of increasing business with new contracts but have also been able to develop relationships with existing customers that have in turn saved money and given them a tighter grip on the market.

The interviewee's affirmation of what she believed the primary tasks of marketing were is particularly relevant to the points made in chapter 3.2 which focused on Jukka Lahtinen's (1994, 37) study into customer relationship marketing. The interviewee also recognised the importance of making customers aware of their product and increasing their client's knowledge about Beauford's products. However she also understood that the most important aspect is to get the information across. As discussed earlier, it doesn't matter how good a product is if the market doesn't know that it exists.

#### 4.4 The Internet's Impact upon Maintaining Contact with Existing Customers

One of the most damning statements against companies hoping to conduct their business without effective online communications channels came in this part of the interview: "without the internet you just don't have the possibility to maintain contact with Russian businesses."

Beauford's market spreads across Russia and other Russian speaking countries which span more than eleven time zones. To be able to cover that vast area is a challenging task even with all of the latest technology innovations at their disposals. The alternatives were described as woefully inadequate.

For any companies hoping to use mailing methods as a means for contacting customers across Russia and other eastern European countries they would run into many difficulties. The mail systems in these regions are inefficient at best and non-existent at worst. Items that are mailed have the potential to never reach their destination and even if they do, they may arrive after weeks or months. If a

company would rely on that as a means for doing business they would find it very difficult if not impossible to be successful.

However, despite this, Beauford does engage in some mail-distributed marketing. Brochures are sent out to businesses across the regions however Beauford does not rely on that as a sole means for getting any extra business from their customers. These mailing jobs are always followed up after several weeks by online means such as emails and calls using Skype.

This part of the interview had particular relevance to Cathy Ace's (2001, 180) points on page 9. She had argued that it was far cheaper to retain existing customers rather than to acquire new ones. This is relevant here because the interviewee specifically described the online methods for communication with existing customers and at many points throughout the interview she reinforces the cost effectiveness of these methods.

The cost effectiveness of online communication supports the conclusions discussed earlier regarding the benefits of keeping existing customers against acquiring new ones.

#### 4.5 The Internet's Impact upon Reaching New Customers

Beauford International has various online means of reaching new customers, not just the means to contact them but also to find out who and where they are.

The interviewee mentioned several ways in which the company seeks out new potential customers to contact. Industries in their market areas have already got websites on the internet and within those sites are easily located contact details for relevant people. These details usually include email addresses and phone numbers.



Other sources of information available to the company come in the form of online directories. These are repositories of information about customers, which allows many businesses to be contacted. However, these directories are only available at a small cost. Due to the ability to contact so many large potential business customers across many countries far outweighs the small costs of acquiring such directories.

These online methods for getting into contact with businesses internationally are priceless for companies who used to rely on visiting potential customers in order to develop relationships with them.

This part of the interview greatly reinforced the theory that online methods can improve the ability of Beauford to market internationally. It is especially useful as it is compared to the effectiveness of reaching customers online against travelling to meet potential new customers. Since this method allows for far more businesses to be contacted, the possibility of finding suitable business partners improves. Also the costs are less using online means, which ultimately leads to more competitive pricing structures.

The interviewee posed one potential problem of a company's website not having the exact information necessary but she then admitted an offline alternative had "virtually no chance" of success.

One other way in which the internet has had an impact upon Beauford's ability to reach new customers is with the company website. Having the company's information available at all times to any potential customer in any country in the world allows Beauford to establish relationships that are instead initiated by the customer. This reduces the costs of customer acquisition considerably.

Further developments of online methods were suggested in the interview in the form of online purchasing. It was posed that allowing the customer the option to

pay online at the website would make sales easier and reduce the amount of communication needed per sale.

#### 4.6 Skype's Impact upon B2B Communication

Skype is a computer program that uses the internet to allow users to connect with each other online and engage in voice or video conversations. It also allows someone to make a call from their computer to a person's phone no matter what country either party is in.

Beauford International has transferred virtually all of their call-making procedures to Skype. They contact not only their customers using Skype but have also carried the idea to suppliers who now use it as their main communication tool.

The interviewee emphasised one main point as being key to the value of Skype within the organisation. Phone calls have been reduced to less than 10% of what they previously were when making regular calls on the traditional phone networks.

The interviewee stressed that Skype has been a "revolution" in that they are now more easily able to set up conference calling with their business partners. This revolution is continuing throughout their network of partners as their suppliers and customers begin to contact their own partners with Skype and are thus spreading the new technology around businesses across the whole industry. The net effect is to reduce costs for everyone and to improve communication efficiency by having an easy method of contact between businesses.

In regards to Boyd and Spekman's (2004, pp. 19) ideas as discussed in chapter 3, Beauford are pursuing both rich mediums (with Skype's voice and video) but also lean mediums as they continue to utilise emails and other simpler forms of

communication. This suggests a dynamic approach to B2B communication which is highly relevant to this study.

#### 4.7 Limitations of Online Communication

The interview brought up a limitation with online communication with Beauford's business partners. By communicating mostly online there is the removal of what she referred to as "the human touch". There are customers who appreciate having face-to-face meetings and being able to see who they are talking to and getting to know them better.

She went on to suggest that such close contact with customers can help to build closer and stronger relationships with them.

However, in analysis, the interviewee did not consider this to be such a great limitation. Visiting customers takes a very long time, especially for an international company like Beauford. Personal visits would also create limitations by reducing the number of clients who it would be possible to communicate with. With online communication methods it would be possible to reach a far greater number of customers. This doesn't mean that personal contact shouldn't be used; only that online methods allow for a cheaper and easier alternative.

The interviewee was dismissive of limitations of online communication developments. As a business dealing with high technology products Beauford is better suited to using new technology when reaching out to new and existing customers. It reinforces Beauford's position more than the personal touch because the focus is placed on the product.

This part of the interview had particular relevance to the points brought up in chapter 3. Paul Phillips (2003, 35) tried to put forward the idea that although face-

to-face contact was still very relevant in a business's communication strategies, it has become less important due to the widespread availability of online methods.

The interviewee supported this notion during the interview both by supporting the "human touch" and also questioning whether or not it was really a limitation to decrease personal contact.

In the case of Beauford she regularly affirmed throughout the whole interview that in conducting trade with their customers it is most important to get the information across.

#### 4.8 Future Innovations in Online Communications

The interviewee discussed ideas about virtual worlds on the internet. There is an online world known as Second Life in which people from around the world can enter with their computers. The Second Life program creates a 3D digital world that allows users to move around, buy land and build on it.

Second Life has been growing consistently since it was launched in 2003. It is populated by companies including the largest Universities and other academic and governmental institutions which have buildings containing information, online videos and other promotional packages.

The interviewee saw this online world as another possible route to communicate with customers by being in the same virtual place as them. Gaining a competitive advantage through Second Life could be achievable as companies in Russia begin to use the software more and more.

Another method posed as a viable means of reaching customers was RSS feeds. This is software that allows a company to send information directly to someone's computer desktop. Customers would be able to receive the latest news from

Beauford and marketing would be instantaneous with those existing customers that chose to take part.

These online innovations are not very expensive considering the fact that the costs do not vary in relation to the number of customers. Therefore, with a large customer base, these means could be seen as quite cost-effective.

In chapter 3 Mary J. Cronin (1996, 16-19) put forward the view that the internet would be only as useful to a business as the business's managers ability to exploit the online resources becoming available. Beauford's vision of how to use the latest technologies is exactly relevant to this because the management of the company is totally focused not only on the new options that exist now but also on possibilities for future methods.

## 5 CONCLUSIONS

The target of this study was to investigate the ways in which Beauford International communicates with its business partners and analyse the impact that online methods of communication has had.

The research question was: How can online development of B2B communication impact upon the marketing effectiveness of Beauford International?

As a case study, Beauford International was a perfect subject due to not only its technologically modern product range but also with its reliance on effective communication channels with a range of new and existing customers.

Throughout the course of the interview it was possible to understand the degree to which online technologies are impacting upon businesses with special importance being placed upon it in regards to international businesses.

The theoretical evidence in the study has pointed towards the benefits of developing online communication for businesses. There has been much consideration of the examples that other companies have set when successfully improving their business practices using online means.

However, the empirical aspect of the study raised an important concern. The director of Beauford International suggested in the interview that when “having face-to-face meetings with customers you can keep the human touch.” This statement raises an important point and a possibly serious limitation to the development of online communication.

For some companies it is an important part of their business to maintain close personal contact with their customers. There may be companies that exist for

whom this is crucial and in such cases it could be argued that pursuing online means to communicate could leave them out of touch with the needs of their customers and ultimately damage their relationships with them.

In the case of Beauford International on the other hand, the managing director of the company did not feel that such a limitation was a major factor for the company to be concerned about.

Since Beauford is a company specialising in high technology products and marketing to a wide range of large industry, the face-to-face limitation is not such a noticeable factor. This is due to the fact that large industries usually have a far greater range of suppliers than smaller firms. They would usually find faster more direct forms of communication to be far more efficient than to try to keep close personal contact with every partner.

Therefore this limitation should be treated as a key factor but one which needs to be carefully considered in relation to the business's size, product range and type of customer.

Another main point that was brought up in the empirical research was the fact that when a business is developing its communication channels whether online or otherwise, the task is to improve the *method* of transmission. This is very different to the *content* of the message that the company is trying to send out.

In the case of Beauford the interviewee set out a list of six primary points that must be covered in marketing communications with a prospective or existing customer. She made it clear that no matter what form of communication they chose to use, it was of prime concern to ensure those points were all covered.

Therefore, it is now possible for this study to summarise the ways in which developments to B2B communications affect Beauford International's communications processes:

1. Opening up the international market.
2. Cost efficiency.
3. Easier and faster to reach customers.
4. Image development.
5. Loss of the human touch.

The study strongly supports the idea that online methods provide the best way to reach a wide range of businesses over an international market. It also significantly cuts the cost of marketing and lowers overall communication costs.

The paper concludes that a modern company that specialises in the provision of a high-tech product has an essential need to be at the forefront of any new technology when it comes to communications with a customer. It would support the image that the company tries to develop of a technologically modern and forward thinking business.

As the objective of this study was to explore how the latest online technologies could improve Beauford International's ability to communicate, we can use this summary to recognise the specific objectives that companies in general should consider when developing their own online communications processes.

The choice of interviewing one of the company's directors allowed the opinions and viewpoints from a qualified source to be analysed. The validity of this study is therefore supported since it is bolstered by the insights of someone with many years of knowledge and experience of the business and the industry.

The benefits suggested for businesses aiming to improve their B2B communications online are applicable to other companies which also aim to further their communication goals and to reduce costs. This study is reliable enough that



the benefits outlined are also valid for companies in different industries. Any company that wishes to improve their operations could view these findings and find them equally useful depending on the amount of B2B communications they conduct. One possible way to make these results more valid could be to conduct similar case studies of businesses that operate in different industries.

### **Further Studies**

Further studies could follow on from this to analyse possible balances that some companies should consider between developing new technologically advanced means of communication against the need to maintain a personal face-to-face touch.

Also, technology will continue to improve and provide more innovative channels for B2B online communication so such studies as this one will continue to be relevant in the future. However, as more new and diverse methods of communication appear there will be more room for studies to explore the ways in which companies can continue to exploit the new methods available.

As was shown in the interview, Beauford International has been able to start targeting their marketing material to specific individuals within organisations via the use of a customer database. This database allows Beauford to see exactly what a customer is most likely interested in and can therefore generate material automatically on computer that can then be sent immediately in an email with attachments. The opportunities to develop this further are intriguing and could warrant further study.

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## APPENDIX

### Interview Questions for Beauford International

1. How important is it to maintain effective communication channels with business partners?

As for customer communications it is absolutely essential for the operation of the company. You can't do the job without it.

The more you can do in terms of communications technology, the better it is for your customer support; and the better your ability is in customer support the more likely it is that they will buy from you. The more efficiently you can communicate the better it is; there are all sorts of different methods, its necessary to understand them all. As a company supplying a lot of high-tech equipment it is very useful that our clients know that we understand the technology. The latest communication methods demonstrate our competence in high technology although we don't actually sell communications equipment.

Emails, Skpye, FTP and VPN are very efficient and cost effective allowing large amounts of information to be disseminated to partners at very little cost.

We used to use faxes commonly with Russian companies but it is almost not used at all now. Everyone now wants to use emails.

In some cases where you have to make large file transfers you have to use FTP sites.

VPN's have allowed us to access databases on customer sites. This allows us to directly assist the customers with any problems they may have with their databases and software.

2. What benefits would there be for your company to develop faster and more innovative communication channels.

There is no question that communication can be improved. We can always benefit from improving this system, by being able to reach customers better and more efficiently we can increase our income dramatically.

The primary tasks of marketing and sales are to tell the customer: One; that we're selling something. Two; this is what we are selling. Three; this is what it's for. Four; this is how it will benefit you. Five; this is our contact information. And six; these are the prices and terms of sale of the items. It makes no difference whether you are selling tomatoes, rocket engines or high tech vibro-diagnostic equipment. The same things have to be told to the customer. It never changes. The only question is how accurately and efficiently and cost effectively you can do this. There is no doubt that with every upgrade or implementation of new technology we can improve the way we conduct these primary tasks and see a step change in cost effectiveness and therefore bigger profits.

It is obvious that with better online technologies there have been step changes in customer satisfaction.

3. How has the internet impacted upon your company's ability to maintain close contact with existing customers?

Because Russia and the 14 countries of the former USSR is such a big area and there are 11 time zones (Arizona in America is closer to Finland than the other side of Russia), so using traditional methods of communication like letters and suchlike just don't work. In fact if you send a letter to somewhere in Russia it can take 3 or 4 weeks and even place to place within the country it can take over a week. This is due to inefficiency in the Russian mail services. And even then there is no guarantee anything will ever arrive at the other end.

Although the mail is not very effective we still do our mailing-shots this way. A mailing shot is where we get a large number of brochures to distribute out to relevant people. However we follow this up after several weeks with online methods like emails and Skype calls.

So without the internet you just don't have the possibility to maintain contact with Russian businesses.

4. How has the internet affected your company's ability to reach new customers?

We can look up company websites such as oil companies and in those websites there is usually a website tree from which we can find the details of the relevant people to contact.

There are also directories online which are available, at a cost, and provide information to help get into contact with more companies.

The problem with going to a company's website is you can't always find out exactly the person you want without further investigation but the point is that without the internet you have virtually no chance now.

We also have a website which allows us to have information available online at all times for when any client or prospective customer searches for some product or service we offer. We soon hope to have the ability to enable customers to buy from us online by opening an account or paying by credit card.

5. What has been the effect of Skype upon communication with other businesses?

Voice contact is now carried out using Skype, this way we've been able to connect to our customers via computer and are able to have conversations in the same way we would with a phone. The main thing is that it reduced phone costs down to less than 10% of what it was before when we were making regular calls.

All supplier communications are also now carried out on Skype and this has allowed us to use conference calling. We introduced Skype to most of our suppliers and they are now using it with other representatives such as ourselves. So the introduction of Skype to us was really quite a revolution, not just to us but now also to our business partners who have since adopted it fully.

6. Are there any limitations associated with developing online communication systems?

By having face-to-face meetings with customers you can keep the human touch. Some customers appreciate it when you go there and sit in their office, they get to look you in the eye and you can develop a closer relationship. So communicating online does remove that aspect.

However, is it really a limitation? By going to visit customers you could spend a huge amount of time and get to see only a handful of people whereas online you could open up a far wider range of prospective clients. And when you're online you don't need to consider so many more things like how you are dressed or are acting. You could sit at any time or place and have a meeting with several important clients. The focus is on the job in hand rather than the condition of your suit, which after travelling across Russia would be in a pretty sorry state!

So I'm not sure there really are any limitations, in our area it doesn't matter so much. In this business we are dealing with high tech products and the issue is the product, not on whether you are there in person or not.

#### 7. How could future online innovations improve communication with businesses?

The development of virtual worlds is very interesting. One example is Second Life. It's possible to carry out a live seminar in a virtual world to a whole range of customers from anywhere in the world. Each customer and the one giving the seminar logs in to their computer wherever they are and is represented in this virtual 3D world as an avatar. They can walk around, fly, teleport, have conversations with other avatars, change their appearance and clothes, buy virtual land,



build 3D virtual buildings on it and buy and sell anything whether it's a virtual object or a real one from the real world. Already a large number of universities and companies are present on Second Life and carry out lectures and training to paying customers. It's becoming a big thing in Russia. We plan to buy a piece of land, build a company on it where customers can visit and be shown the products in great detail just as if they were visiting our offices.

Another one is RSS feeds. We intend to use this as a means to get up-to-the-minute information straight to the customer's computer desktop in the form of a pop-up message that takes them directly to the news we want them to know. It will allow us to get our information out to customers in a very efficient and cost effective way.

#### 8. How did you find customers before the internet?

Prior to Skype we used to use the phone systems for calling in and around Russia. Various companies had sprung up all offering lower rates but were still considerably expensive.

Customers would call us at their expense and often we would call them back and share that cost. International calls were especially expensive in the 90's and late 80's with calls from Russian to USA costing around \$15 USD per minute! Additionally many of these calls wouldn't even connect to the receiver and if they did they could be of poor quality and may be disconnected at any time. It is quite different from the 100% connection rate with Skype. For important calls we would often have to go to the embassy to try to get a connection through to other countries but there was no guarantee.

Back in the 80's it was especially difficult to make phone connections as often the calls were being monitored, so you had to wait not only for the receiver but also for someone to come to listen in!

Everything was so slow before the internet. The phone system was expensive, unreliable and not secure. A lot of business was done by mail which was even slower. Customers would be sent quotes by mail which, in Russia, could have taken a month to arrive and their replies would take time too. Then there are the contracts which need to be sent and confirmed and signed.

In those days customers would quite often come to visit our Moscow office so that contract negotiations and signings could be concluded in person. This would usually take a few days to do. Compare that to the present ability we have to email a quote or contract and have a reply or signed contract sent back to us within hours if not minutes.

Today such visits would be impossible as travel prices have increased so much and the time necessary is no longer available. Advances in communications online are now indispensable.

After using the postal service for many years we then used faxes for a long time. We would often fax a document like a contract to a customer to sign and they would then fax the signed contract back to us. In fact we still use them occasionally but we now rely mainly on email attachments for sending any documentation. It is faster, cheaper and easier.

It was usual up to the early 90's that a business card could have a phone number, fax number and also a telex number. The telex was common in the Soviet Union in those days as a means for sending out

messages. The downside to the telex was security. Before 1991 it was all controlled by the KGB and in theory every telex could be intercepted and read. However, in those days, the phone calls and any other form of communication could also be intercepted. So security was a general concern when making any kind of communication except face-to-face.

The telex later evolved towards Sprint which was similar in a way and was like a kind of early email. It involved computer software that would connect to another computer with the same software with the use of the early modems. It allowed the user to send basic messages which had only one font and allowed for no attachments or anything fancy. Just a basic single font message.

Communication with customers for marketing purposes was a far more difficult task prior to online methods. The main ways, if not the only ways, to do it was to send out brochures and letters in the mail and to visit them to give presentations. Company visits were a lot more common back then. They were time-consuming but the best way to meet the customer and get the message across.

The difference for marketing now is that we can specifically target people with personal emails that will identify their exact requirements and the information about the customer can be kept in a database. This allows for almost automatic generation of the specific marketing material that they would most likely be interested in.

By the middle of the 90's there was a big market in Russia in pirated software. At this time it became cheaper and easier to have any of the latest software in Russia that was often too expensive for most American companies. The boom in the pirate software market allowed

most Russian companies to get ahead with all the latest operating systems and software for a fraction of the cost. At this point it started to become considerable easier to communicate directly with customers as there were more modern methods available.